

From: Rodriguez, Doris
To: Howard, Beverly
Cc: Wiseman, Kenneth L.; Rappolt, William
Subject: Energia del Caribe, S.A. Long-Term Application and Contracts (FE Docket No. 16-18-NG)
Date: Wednesday, March 23, 2016 1:51:48 PM

Dear Ms. Howard:

It was good speaking to you last week regarding the questions you raise in your email below, and, of course, our conversation was also very helpful. Thank you for returning my call so quickly and for your time and comments.

As I promised in our call, I am writing to respond to your questions, as follows:

- 1.) The effective date of the Gas Supply Agreement is February 26, 2016.
- 2.) The effective date of the gas transportation contract is June 1, 2013. As we discussed in our phone conference, after the gas transportation contract was signed, the parties signed certain amendments to the same. The reference that we generally use as to the date thereof is "dated effective as of June 1, 2013, as amended from time to time" (or text that is substantially similar). My thinking is that this type of description will also work for the long term authorization. Thus, my view is that you would reference the specific gas transportation agreement in the long term authorization as "Intrastate Firm Gas Transportation Agreement between Kinder Morgan Texas Pipeline LLC and Energía del Caribe, S.A. effective as of June 1, 2013, as amended from time to time." Do you agree? Please also see my response to your question no. 3 below in this regard.

Will you also need to reference the transportation contract that operates in Mexico, that contract being between Kinder Morgan Gas Natural de Mexico, S. de R. L. de C.V. and Central Generadora Eléctrica Huinalá S. de R.L. de C. V. (Energía del Caribe's affiliate)? I would not think so since by the time that this transportation contract for Mexico becomes operative, the gas export will have occurred.

- 3.) In our telephone conference, we discussed that the intent of your question No. 3 below is to determine the point at which the gas is exported from the United States of America into Mexico. That point is the "Delivery Point" under the Intrastate Firm Gas Transportation Agreement between Kinder Morgan Texas Pipeline LLC and Energía del Caribe, S.A., which point is "The point at which Transporter's thirty-inch (30") pipeline crosses the international border between the United States and Mexico." You will find this information set forth in Appendix C to Energía's application at page 30 (Page 30 is Exhibit C to said Transportation Agreement) under "Delivery Point." The point at which Kinder Morgan Texas Pipeline LLC's pipeline crosses the border is approximately 4 miles south of the town of Salineño, in Starr County, Texas. See *Kinder Morgan Texas Pipeline LLC*, 143 FERC ¶ 61,245, at PP 1, 4 (2013) (explaining that Kinder Morgan Texas Pipeline LLC's pipeline facilities cross the border "near Salineño, in Starr County, Texas").

I hope this email is responsive to your questions. Please do not hesitate to let me know if you have any further questions or comments.

Again, thank you very much for all of your prompt assistance and cooperation in this matter.

Best regards,

Doris Rodríguez
Partner

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----- Original Message -----

Subject: Energia del Caribe, S.A. Long-Term Application and Contracts (FE Docket No. 16-18-NG)

From: "Howard, Beverly" <Beverly.Howard@HQ.DOE.GOV>

Date: Mar 17, 2016, 10:17 AM

To: "Rappolt, William" <WilliamRappolt@andrewskurth.com>

Hi Bill:

In reference to our brief conversation yesterday, I had some questions regarding the date of the Gas Supply Agreement and the Gas Transportation Agreement between Energia and Kinder Morgan. If you don't mind clarifying the following:

1. The date of the Gas Supply Agreement (GSA). I saw a signature date by Kinder Morgan as February 11, 2016, on page S-2 of the agreement. However, I did not see a signature date for Energia del Caribe. Please provide the date(s) the GSA was signed by both parties and/or the effective date of the agreement.
2. The date of the Gas Transfer Agreement (GTA). I noted that the GTA seems to be dated and/or effective June 1, 2013, however there are a number of amendment dates also (October 29, 2013, October 1, 2014; November 4, 2014; November 25, 2014; February 4, 2015). See the pages 1, 11, 29 and 38 (includes exhibit pages). Please provide the date of the GTA, which will be referenced in the Long-term authorization.
3. The "Delivery" point in the GSA (page 27, section 4) is noted as "Howard Gato Creek,

Webb County, Texas, or any other point as mutually agreed to between the parties."

The "Delivery" point where Energia will have ownership of the natural gas. The GTA (page 30) notes NET, Howard and Deferred Account as "Point name" for the "Receipt" point(s). The "Delivery" point does not indicate a location. In Exhibit "C" (page 68) the "Delivery" point is noted as "M6 EDC Central Huinala"

Please confirm the actual "Delivery" point(s) for Energia's purposes in compliance with the signed agreements.

Please reply to this email with clarifications and confirmation.

I appreciate any clarification you can provide and eagerly look forward to working with Energia to obtain its authorization. I apologize for any inconvenience, and please feel free to contact me at any time regarding the status of this application/authorization. Thank you, once again.

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